

18 September 2018

Dear Jon Parker,

ElectraLink's response to Ofgem's consultation Getting more out of our electricity networks by reforming access and forward-looking charging arrangements

ElectraLink welcomes the opportunity to respond to Ofgem's consultation on 'Getting more out of our electricity networks by reforming access and forward-looking charging arrangements', published on 23 July 2018.

ElectraLink responded to Ofgem's last consultation regarding charging reform in March 2017, where we emphasised that it was important any changes made to charging arrangements should not only ensure fairness, but also ensure that investment in renewable generation, which continues to grow rapidly at a distribution level, isn't inadvertently discouraged. The graph below shows significant growth in embedded generation in recent years.

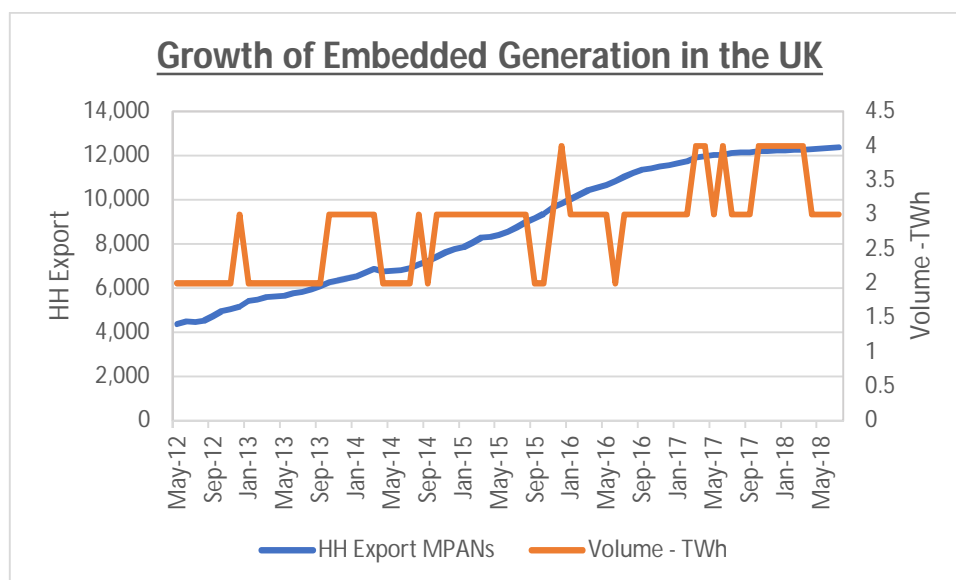


Figure 1 – Distributed Generation Growth

Following the launch of the Charging Futures Forum (CFF), we have been actively engaging with Ofgem's work, including taking a place on the Charging Delivery Body (CDB). We are pleased to hear that Ofgem plan to continue to hold these forums, which have created a good platform for debate.

We believe that this consultation sets out achievable priorities on how Great Britain's (GB) energy industry will facilitate radical transformation as it moves towards a smart, flexible energy system. Within our response, we have addressed directly how we believe we can assist Ofgem address managing growth in demand, manage constraints and create an effective interface between transmission and distribution.

In particular, we believe a central co-ordination role is imperative to delivering widespread changes which are widely accepted and easily implemented by the majority of stakeholders. ElectraLink want to highlight that we are keen to assist in the following areas:

- **Stakeholder Engagement** - in liaising with new and existing stakeholders to understand their needs and concerns around network charging development;
- **Working Collaboratively with Central Market Operators** - Continuing to work with other Code Managers bring forward new solutions and supporting subject matter experts appraise such solutions; and
- **Providing Data Analytics** – to further understand the current landscape and provide robust quantifiable analysis to support solution development.

If you would like to have a further discussion on our response, please contact Alexandra Moore at Alexandra.moore@electralink.co.uk.

Kind Regards



Stefan Leedham
Director of Governance Services

Question 1: Do you agree with the case for change as set out in chapter 2? Please give reasons for your response, and include evidence to support this where possible.

Yes, ElectraLink recognise the challenges arising from energy system transformation in GB, from the data we hold on Distributed Generation connections (please see figure 1).

This coupled with uptake of electric vehicles and electrification of heat, this shows that the distribution network will have to adapt from its original purpose, managing far more generation and technology that would ideally require a flexible connection.

Question 2: Do you agree with our proposal that access rights should be reviewed, with the aim to improve their definition and choice? Please provide reasons for your response and, where possible, evidence to support your views.

We are supportive of any review which will ensure fairness of access to the network for all Parties.

Question 6: Do you agree that a comprehensive review of forward-looking DUoS charging methodologies, as outlined in paragraphs 4.3-4.7, should be undertaken? Please provide reasons for your response and, where possible, evidence to support your position.

We are supportive of any review which will ensure fairness of access to the network for all Parties.

Question 11: What are your views on whether Ofgem or the industry should lead the review of different areas? Please specify which of SCR scope options A-C you favour, or describe your alternative proposal if applicable. Please give reasons for your view.

We believe that Ofgem should lead the review of all the areas within the scope of this consultation. The issues of access and charging are inextricably linked, as such it would appear appropriate for these areas to be led by the same party to ensure consistency of direction. As such we support Option C. This approach would also ensure timetables are delivered and dependencies managed. As a code manager with experience in organising and project managing industry change, we would be happy to offer assistance in any industry lead incentive.

Question 15: What are your views on our indicative timelines? Do you foresee any potential challenges to, or implications of, the proposed timelines and how could these be mitigated?

ElectraLink would be happy to assist Ofgem in meeting these indicative timelines, as many of these will be determined by fitting into current Code work. ElectraLink would like to highlight that Code Change processes can be lengthy up to 15 months for changes to be developed with significant timescales of up to 2 years for implementation. Timescales are often extended where changes are contentious and clear impact assessments required from Ofgem.

Question 16: What are your views on our proposals for coordinating and engaging stakeholders in this work?

ElectraLink are keen to continue to support the CFF and CDB in it's work, as well as any working groups which come out of the discussions. We believe it is important to utilise current working groups and industry bodies when required, to ensure there is no repetition and to ensure we do not create fatigue in

these areas. In this regard, ElectraLink are happy to offer secretariat support for any task forces which fit under our areas of charging expertise. We would also be keen to utilise our stakeholder networks, so opinion is gauged through a wide section of industry.